



News Release

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Small Businesses Receive Nearly 100,000 SBA-Backed Loans In FY 2005, A Fifth Consecutive Record

Agency Backs 917 Loans in Iowa for Over \$197.4 Million

WASHINGTON – Small businesses turned to the U.S. Small Business Administration for commercial financing in record numbers in fiscal year 2005, securing 97,891 loans through its two main small business loan programs, setting a loan volume record for the fifth consecutive year.

The figure is more than double the number of loans made in FY 2000.

“This is fantastic news for small businesses and we’re very pleased with the results our two main loan programs showed in FY 2005,” said SBA Administrator Hector V. Barreto. “This positive growth trend means that the President’s mission of providing an economic environment in which entrepreneurs can succeed is working. It is further evidence that small businesses are continuing to power the economy and create jobs.

“It’s also a positive thing for the taxpayers,” Barreto added. “In FY 2004 it cost \$100 million in government dollars to operate the 7(a) program. In FY 2005, modest fees paid by the lenders and borrowers have allowed us to meet the extraordinary demand for these loans and dollars without taxpayer expense. We’re proud these cost-effective programs have been a win-win for small businesses and the American taxpayer.”

The SBA guaranteed 88,912 loans through its flagship 7(a) program for a total of \$14 billion, a 23 percent increase in the number of loans compared to the previous fiscal year. Small businesses use these loans primarily for working capital.

In the Certified Development Company loan program, also known as the 504 program, 8,979 loans were made for \$4.9 billion. The number of loans is up 16 percent compared to last fiscal year. The loans are used to buy or rehabilitate fixed assets such as land, buildings and machinery and equipment.

Minorities received \$5.8 billion in 7(a) and 504 financing, representing 31 percent of total dollars, an increase of 26 percent over the previous year.

Women received \$3.3 billion in 7(a) and 504 financing, representing 17 percent of total dollars, an increase of 27 percent over the previous year.

Women and minorities also registered double digit increases in the number of loans over the previous fiscal year. Loans to African Americans were up 41 percent. For Hispanics, the increase was 19 percent and for Asians it was 17 percent. Loans to women were up 39 percent over FY 2004.

SEE ATTACHED PAGES FOR IOWA RESULTS

IOWA LOAN STATISTICS

Fiscal Year 2005 vs. Fiscal Year 2004

Total Loans: SBA backed loans to small businesses increased 11.6 percent during FY 2005 – up from 821 loans in FY 2004 to 917 loans in FY 2005. The total dollar value of loans increased over 42 percent – up from \$138.8 million in FY 2004 to \$197.4 million in FY 2005.

Loans to Minorities: Loans to minorities in Iowa increased 25 percent during FY 2005 – up from 48 loans in FY 2004 to 60 loans in FY 2005. The total dollar value of loans to minorities increased 84 percent – up from \$10.3 million in FY 2004 to \$18.97 million in FY 2005.

Loans to Women: Loans to women in Iowa increased 13.8 percent during FY 2005 – up from 166 loans in FY 2004 to 189 loans in FY 2005. The total dollar value of loans to women increased over 83 percent – up from \$19.2 million in FY 2004 to \$35.3 million in FY 2005.

Loans to Veterans: Loans to veterans in Iowa remained the same during FY 2005 as they were in FY 2004, with 83 veterans receiving loans. The total dollar value of loans to veterans increased 65 percent – up from \$12.9 million in FY 2004 to \$21.3 million in FY 2005.

Loans to Rural Businesses: Loans to rural business increased over 11 percent during FY 2005 – up from 336 loans in FY 2004 to 375 loans in FY 2005. The total dollar value of loans to rural businesses increased 72 percent – up from \$57.7 million in FY 2004 to \$99.3 million in FY 2005 (Loans to rural businesses in FY 2005 accounted for 40 percent of the total loans made in Iowa and accounted for 50 percent of the total dollars loaned).

Loans to Start-Up Businesses – Loans to start-up businesses (defined as businesses in operation 2 years or less) increased nearly 30 percent during FY 2005 – up from 307 in FY 2004 to 399 in FY 2005. The total dollar value of loans to start-up businesses increased 46 percent – up from \$40.5 million in FY 2004 to \$59.4 million in FY 2005.

Loans to Existing Business – Loans to existing businesses (defined as businesses in operation more than 2 years) remained nearly the same during FY 2005 – up one from 515 in FY 2004 to 516 in FY 2005. The total dollar value of loans to existing businesses increased 40 percent – up from \$97.4 million in FY 2004 to \$137 million in FY 2005.

SEE ATTACHED TABLE FOR COUNTY-BY-COUNTY BREAKDOWNS

SBA LOAN APPROVALS IN IOWA BY COUNTY FISCAL YEAR 2005

COUNTY	#LOANS	\$AMOUNT
Adair	2	\$69,000
Adams	0	0
Allamakee	0	0
Appanoose	2	\$1,680,000
Audubon	1	\$110,000
Benton	7	\$1,116,000
Black Hawk	28	\$8,111,200
Boone	8	\$3,062,500
Bremer	4	\$835,000
Buchanan	3	\$139,000
Buena Vista	8	\$1,789,500
Butler	3	\$1,340,000
Calhoun	4	\$173,000
Carroll	3	\$400,500
Cass	2	\$115,000
Cedar	2	\$2,093,900
Cerro Gordo	9	\$734,016
Cherokee	2	\$611,000
Chickasaw	4	\$837,500
Clarke	1	\$591,000
Clay	6	\$671,600
Clayton	4	\$1,737,500
Clinton	33	\$7,333,700
Crawford	2	\$479,000
Dallas	15	\$3,861,500
Davis	1	\$12,500
Decatur	1	\$325,000
Delaware	8	\$1,856,300
Des Moines	19	\$4,575,200
Dickinson	7	\$1,716,000
Dubuque	22	\$2,767,700
Emmet	2	\$195,000
Fayette	4	\$1,019,754
Floyd	2	\$647,000
Franklin	1	\$127,000
Fremont	3	\$811,300
Greene	5	\$1,211,500
Grundy	5	\$1,349,500
Guthrie	2	\$216,000
Hamilton	3	\$271,000
Hancock	2	\$796,200
Hardin	0	0
Harrison	3	\$4,020,000
Henry	2	\$195,000
Howard	4	\$827,000
Humboldt	3	\$180,000
Ida	2	\$158,500
Iowa	2	\$215,000
Jackson	13	\$2,174,500
Jasper	4	\$2,213,500

COUNTY	#LOANS	\$AMOUNT
Jefferson	1	\$100,000
Johnson	43	\$10,491,200
Jones	8	\$1,515,000
Keokuk	2	\$130,000
Kossuth	2	\$165,000
Lee	9	\$2,811,000
Linn	87	\$11,339,420
Louisa	3	\$451,000
Lucas	0	0
Lyon	9	\$1,410,500
Madison	0	0
Mahaska	4	\$329,000
Marion	7	\$5,453,000
Marshall	3	\$921,000
Mills	6	\$2,220,400
Mitchell	0	0
Monona	5	\$398,040
Monroe	1	\$2,465,000
Montgomery	4	\$702,000
Muscatine	9	\$2,027,400
O'Brien	3	\$1,025,000
Osceola	7	\$583,300
Page	2	\$175,000
Palo Alto	3	\$302,000
Plymouth	8	\$626,200
Pocahontas	3	\$475,000
Polk	171	\$37,176,380
Pottawattamie	26	\$5,688,600
Poweshiek	4	\$2,315,000
Ringgold	0	0
Sac	7	\$671,500
Scott	67	\$10,319,200
Shelby	6	\$1,401,800
Sioux	24	\$8,183,500
Story	26	\$3,582,400
Tama	3	\$619,000
Taylor	2	\$160,000
Union	2	\$171,000
Van Buren	0	0
Wapello	10	\$878,000
Warren	11	\$995,000
Washington	3	\$665,000
Wayne	0	0
Webster	9	\$2,052,000
Winnebago	4	\$387,800
Winnishiek	3	\$333,700
Woodbury	36	\$9,899,800
Worth	0	0
Wright	1	\$97,600
TOTALS	917	\$197,484,610